SECRET

24 March 1954

## ARAB-ISRAELI CRISIS

## I. The Situation

- A. Israeli public angered by massacre of 11 Israelis on 17 March.
  - 1. View it proof government's moderation toward Arabs futile.
  - 2. Some government elements favor "treat: 'em rough" policy.
- B. Government forced to take emotional, unsound steps.
  - Accused Jordan of crime without evidence.
  - 2. Denounced American chairman of UN Armistice Commission for not supporting Israeli position.
  - 3. Appounced boycott of commission if chairman remains.
  - 4. Demanding West and UN condemn Jordan.
- C. Jordan and Syria expect full-scale Israeli attack.
  - 1. Jordan cooperated fully in search for murderers.
  - 2. Weak Syrian government in no position to wage war -defensive deployment of four of seven brigades near

border.

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## II. Likely developments

- A. Moderate-extremist struggle in Israeli government will be intensified.
  - Defense Minister Lavon, Chief of Staff Dayan, ex-prime minister Ben Gurion favor strong action.
  - 2. They see downfall of moderate Prime Minister Sharett and Israel "running amuck" if West does not denounce Jordan.
- B. With or without denunciation, Sharett being pushed toward extremism.
  - l. Possibly more reprisals and harsher treatment of infiltrators.
  - 2. Likely to exploit general Arab instability.
- C. Neither Sharett nor any Arab government wants resumption 1948 hostilities.
- D. However, another serious incident may give rein to Israeli extremists. Consul General Tyler in Jerusalem sees situation more tense than at any time in past three years.